DIRECTORS' REPORT

TO THE MEMBERS

The Directors of the Company are pleased to submit the Audited Financial Statements for the year ended 30 June 2024.

OPERATING HIGHLIGHTS

SEHAT SAHULAT PROGRAMME (SSP)

For the province of Punjab, the Punjab Health Initiative Management Company has been mandated by the Specialized Health Care and Medical Education Department (SHC&MED) for execution /implementation of Health Insurance Scheme, named Sehat Sahulat Programme (SSP) on its behalf. The Programme's objective is to improve access, cater to and protect the society against catastrophic health expenditure by providing in-patient services, through a cashless scheme.

This Programme aims to benefit approximately 33 million eligible families comprising of approximately 113 million individuals in all 40 districts of Punjab.

The Programme was initially launched in 2016 and implemented in 13 districts in Phase I (under Prime Minister National Health Programme Contract signed with Ministry of NHSR&C). In November 2018, approval was given to expand the Programme to all districts of Punjab on enhanced benefit package by Government of the Punjab. In phase II, Programme has been implemented in all 36 districts. As per Phase II Contract, Phase I districts (13 district) have been shifted to new package upon completion of previous contract duration. In May 2021, programme was further expanded with the approval of competent authority and remainder permanent residents of Dera Ghazi Khan and Sahiwal divisions were covered under Phase-II for one year i.e. till 25 May 2022.

Pursuant to the direction of provincial cabinet, the Sehat Sahulat Program the coverage of Sehat Sahulat Program has been extended to all permanent resident families of Punjab. As of March 31, 2022 all permanent resident families of Punjab are eligible to avail services under SSP (SSP, Phase – III).

Pursuant to mandate granted to PHIMC by Specialized Healthcare and Medical Education (SHC & ME) Department, GoPb vide letter no. SO(Dev-I) 25-69/2020 dated March

17th, 2021 to collaborate with Federal Ministry of National Health Services Regulations & Coordination (MoNHSR&C) for procurement of Insurance Company for implementation of Universal Health Insurance (UHI)/Sehat Sahulat Program (SSP) Phase – III in Punjab. The insurance company was selected through open competitive bidding as per PPRA Rules and State Life Insurance Corporation of Pakistan was contracted for a period of 3 years for provision of services under the Programme.

As at 30th June 2024, Programme is covering more than 33 million families across all 40 districts of Punjab till May 2025.

SALIENT FEATURES OF SEHAT SAHULAT PROGRAMME FOR PUNJAB

The salient features of the Programme for Punjab are as follows:

- Eligibility Criteria under Sehat Sahulat Program includes:
  - Population of Punjab earning $2 or less per day as per National Socio Economic Registry (NSER) with score 32.5 PMT or less (for Phase-II).
  - All persons with disabilities (registered with NADRA), transgender (registered with NADRA) (for Phase-II).
  - All permanent resident families of Punjab registered with NADRA (for Phase-III).
- The Programme covers in-patient hospitalization treatment except for exclusions agreed with the Insurance Company.
- The Programme provides two distinct packages:
  1. Secondary care coverage for hospitalization up to PKR 60,000 (Phase – II and Phase – III) per family per year (Enhancement via Excess of Loss & Reserve Fund)
  2. Priority care Coverage for 8 diseases up to PKR 300,000 (Phase – II) & PKR 400,000 (Phase III) per family per year (Enhancement via Excess of Loss & Reserve Fund)
- Pre-existing diseases are also covered.
- One day pre-admission and up to five days from the date of discharge, including medicine supply from the hospital and one free follow up is covered in treatment.
- Public and private healthcare facilities licensed with Punjab Healthcare Commission with minimum 10 beds are entitled for empanelment in the Programme in Punjab.
- Inter-district and Inter-provincial portability is available for all enrolled beneficiaries.
- Transportation cost was provided to patients in Phase-I and Phase -II.

- Burial support of PKR 10,000 if a beneficiary expires in an empanelled hospital (Phase -II only)
- The Programme also has a toll free helpline and SMS service to register complaints and find eligibility status respectively.
- To assess satisfaction of beneficiaries after discharge, patient feedback calls are conducted by NADRA as an independent third party.

Following is the comparison between Phase I, Phase II and Phase III of the Programme.

Description	Phase I Prime Minister National Health Programme	Phase II Sehat Sahulat Programme	Phase III Sehat Sahulat Programme (Universal Health Insurance)
Districts	13 Districts (Pro-poor)	36 Districts (Pro-poor + Disabled + Transgender)	36 Districts (All permanent residents of Punjab)
Launch Date	2016	2019	2022
Benefit Package	PKR 300,000/family/year • Secondary Care – PKR 50,000/- • Priority Care – PKR 250,000/- (7 diseases) • Transport – PKR 350/- per visit up to 3 visits	PKR 360,000/family/year • Secondary Care – PKR 60,000/- • Priority Care – PKR 300,000/- (8 diseases) • Transport – PKR 1000/- per visit up to 3 visits • Burial Support – PKR 10,000/- per death	PKR 460,000/family/year • Secondary Care – PKR 60,000/- • Priority Care – PKR 400,000/-
Excess of Loss	Excess of Loss Only – PKR 300,000/-	• Excess of Loss – PKR 360,000/- • Over Excess of Loss – PKR 360,000/-	• Excess of Loss – o Secondary Care – PKR 40,000 o Tertiary Care - PKR 200,000 • Reserve Fund – PKR 300,000
Premium	PKR 1,300/family/year	PKR 1,998/family/year	• PKR 4,350/family/year • Reserve Fund PKR 40 / family/year

To improve the quality of services and maintenance of standards of care, PHIMC has taken various steps in line with the directions of Provincial Cabinet and SHC&MED. Close coordination with the Punjab Healthcare Commission (PHC) is maintained for monitoring of healthcare providers (hospitals). Recently, following steps have been taken to ensure the quality service provision under SSP:

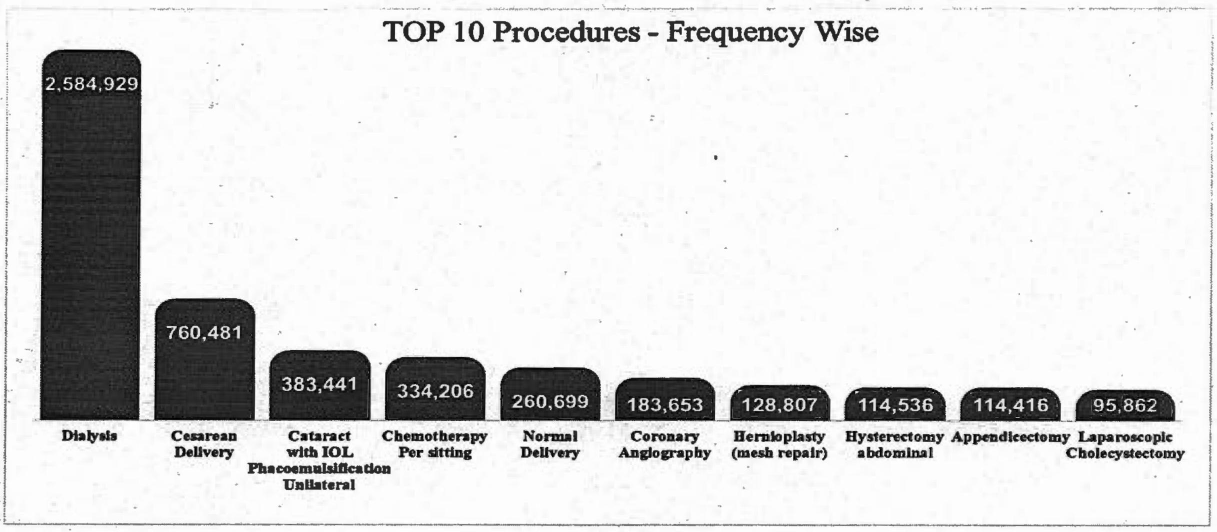
- Empanelment of only those hospitals that have a regular license from PHC.
- Minimum passing score for district wise hospital empanelment has increased.
- Special visits to empanelled hospitals to monitor the healthcare services and operation theatres as per SOPs.

Interventions: Caretaker Provincial Cabinet of Punjab in its 18th meeting held on 21 June 2023, approved the following intervention for the programme:

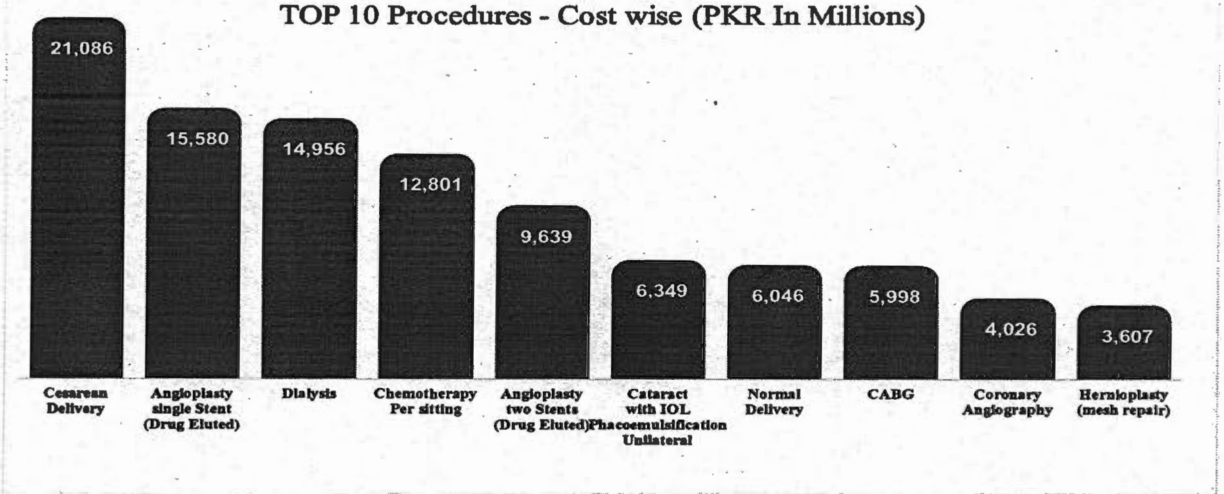
- Exclusion/Contribution of the Affluent (Population Above PMT 44)
- Contribution Model for All Government Employees
- Contribution Model for all Pvt. Sector Corporate Employees
- Copayment for Cardiology procedures in Private hospitals (30% co-payment)
- Adjust UHI claims of Trust Hospitals against their Grants.
- Gynecology procedures shall only be claimable in Public Hospitals (Normal Delivery & C Section)
- Empanelment of Primary Facilities (24/7 Basic Health Units and Rural Health Centers)
- Performance Management of Empaneled Public Hospitals for more receipts.

Provincial Standing Committee of Cabinet on Universal Health Insurance (SCCUHI) in its 12th meeting dated 06.09.2023 approved the 30% co-payment mechanism i.e. every beneficiary availing the healthcare services in empanelled private sector hospitals will pay 30% of the package rate whereas services in empanelled government hospitals are cashless / free of cost. Subsequently, the co-payments percentage increased to 50%. Exemption from co-payment has also been extended to emergency and life-threatening cases, dialysis, oncology, thalassemia, medical cases and ICU / CCU /Vent cases. Further, cataract procedures were limited to public sector hospitals only.

The implementation of these approved interventions resulted in significant reduction of the financial burden on the Sehat Sahulat Program in terms of claims for better financial sustainability of the programme.



Source: SLIC HIMS since inception till 30th August 2024.



Source: SLIC HIMS since inception till 30th August 2024.

KEY ACHIEVEMENTS AND PERFORMANCE INDICATORS

DESCRIPTION	As at 30th June							
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
No. of Cumulative Districts (Services Started)	4	13	20	36	36	36	40	40
No. of UHI Districts	-	-	-	-	7 (1-Year)	36	40	40
Beneficiary Families Enrolled (Cumulative) (figures in millions)	0.636	1.590	2.520	4.984	8.596	29.007	32.210	33.607
Admissions (Cumulative) (figures in millions)	0.013	0.043	0.085	0.180	0.404	1.595	4.715	7.28
No. of empanelled hospitals	36	74	110	173	267	802	875	365
Beneficiary Satisfaction Ratio	98%							

Source: SLIC HIMS, NADRA and published accounts of PHIMC.

FUTURE OUTLOOK

The project of health card was launched in back 2016 (Phase-I) from piloting in four districts of Punjab and expanded to all districts over time (Phase-II). Universal Health Insurance (Phase-III) launched in Punjab from January 01, 2022 to cover all the permanent residents of Punjab. On completion of Phase-I, beneficiaries shifted to Phase-II and on completion of Phase-II, beneficiaries shifted to Phase-III for uninterrupted service delivery.

Phase-III is going to be completed up to May 2025 in a phased manner. PHIMC is analyzing various options for Phase-IV to ensure the continuity and financial sustainability of this flag ship project of the government.

To improve the quality of health service delivery, standard treatment protocols will be developed and costing of treatments will be conducted along with clinical audits of the selected hospitals. Further, to evaluate the IT infrastructure deployed by SLIC for UHI, Information Technology audit of software and hardware will be conducted. Midterm evaluation of the programme (Third Party Validation) has been conducted.

FINANCIAL HIGHLIGHTS **(PKR Millions)**

Description	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Government Grant(s) Received	250	1,798	1,096	6,595	2,000	22,642	60,000	51,138	48,000
Program Cost	-	475	1,201	2,473	7,299	10,820	53,641	120,673	143,150
Operating Expenses	9	69	134	126	122	124	163	232	300
Capital Expenditures	-	21	10	21	-	-	6	29	3

Source: published accounts of PHIMC.

COMMITMENTS

The Company is implementing the Sehat Sahulat Programme in collaboration with Federal Government, Ministry of National Health Services Regulation & Coordination (MoNHSR&C). As per direction / approval from Provincial Cabinet in its 50th meeting dated December 14, 2022, contract for Universal Health Insurance (UHI) was signed with State Life Insurance

Corporation of Pakistan on December 29, 2022, to cover all the permanent resident families of Punjab at a premium rate of Rs.4,350 per family per year and Reserve Fund of Rs. 40 per family per year. PC-1 of the scheme "Implementation of Universal Health Insurance under Health Insurance Program in Punjab" has been approved by the Executive Committee of the National Economic Council (ECNEC) amounting Rs. 332,845/- million with insurance premium of Rs. 3,580 per family per year. Based on the quoted and discounted premium from the lowest evaluated bidder of Rs. 4,350 per family per year and as per directions of Provincial Cabinet as explained above, the revised PC-1 of the scheme amounting Rs. 399,612/- million was prepared and approved by the Provincial Development Working Party (PDWP) in its 68th meeting held on March 18, 2022 and the same has been submitted to federal Ministry of Planning Development and Special Initiatives for consideration / placement before CDWP.

In order to incorporate the interventions approved by the Provincial Cabinet as explained above, an addendum to the UHI contract has been signed at the revised premium rate of Rs. 3,452 per family per year effective from January 01, 2024.

As per revised PC-1, the estimated number of families to be covered are approx. 33 million with an annual growth of 2.1%. Services under UHI started from January 01, 2022 in a phased manner. UHI contract will complete its legal term in May 2025. The expected year wise premium payments are as follows:

Year	Phase-II	Phase-III (UHI)	Total Premium
FY 2021-22	6,051	53,138	59,189
FY 2022-23	-	50,690	50,690
FY 2023-24	-	47,277	47,277
FY 2024-25	-	52,726	52,726
Total	**6,051**	**203,831**	**209,882**

Source: Actual and Expected utilization as per revised PC-1of Health Insurance Program in Punjab.

After implementation of the intervention as explained, the actual expense on UHI claims has been reduced significantly and hence the volume of cash flows has also been reduced.

BOARD OF DIRECTORS OF PHIMC

During financial year ended on 30th June 2024, eight (8) Board meeting were held. The details of Board and Committee Meetings and attended by members are as under:

DIRECTORS OF BOD OF PHIMC	MEETINGS (8)
Mr. Khawaja Farooq Saeed Chairman (R) Appellate Tribunal Inland Revenue/Chairman of BoD PHIMC	8
Chairman Planning and Development Board, Punjab	2
Secretary, Specialized Healthcare & Medical Education Department, Government of the Punjab.	1
CEO/COO, Punjab Healthcare Commission.	8
Additional Finance Secretary (Health & Agriculture), Finance Department, Government of Punjab.	6
Director General, Punjab Information Technology Board (PITB).	-
Prof. Dr. Mahmood Ayyaz, Ex-Principal, Medical College. (Vice Chancellor KEMU)	6
Dr. Shujaat Ali, Ex-Dean National Management College.	8
Ms. Parveen Agha, Civil Servant Retired.	6
Ch. Sultan Mehmood, Advocate Supreme Court.	7
Chief Executive Officer, Punjab Health Initiative Management Company	8

Source: Meeting Attendance Sheets and minutes of meeting.

HUMAN RESOURCE COMMITTEE OF THE BOD OF PHIMC	MEETINGS (3)
Mr. Khawaja Farooq Saeed Chairman (R) Appellate Tribunal Inland Revenue/Chairman of BoD PHIMC	3
Secretary, Specialized Healthcare & Medical Education Department, Government of the Punjab	-
Prof. Dr. Mahmood Ayyaz, Ex-Principal, Medical College. (Vice Chancellor KEMU)	2
CEO/COO, Punjab Healthcare Commission.	3
Chief Executive Officer, Punjab Health Initiative Management Company	3

BUDGET & FINANCE COMMITTEE OF THE BOD OF PHIMC	MEETINGS (1)
Dr. Shujaat Ali, Ex-Dean National Management College.	1
Secretary, Specialized Healthcare & Medical Education Department, Government of the Punjab	-
Additional Finance Secretary (Health & Agriculture), Finance Department, Government of the Punjab	-
Chief Executive Officer, Punjab Health Initiative Management Company	1

PROCUREMENT COMMITTEE OF THE BOD OF PHIMC	MEETINGS (2)
Secretary, Specialized Healthcare & Medical Education Department,	2

Government of the Punjab	
Director General, Punjab Information Technology Board (PITB) Lahore	-
Chief Executive Officer, Punjab Health Initiative Management Company	2

AUDIT COMMITTEE OF THE BOD OF PHIMC	**MEETINGS (4)**
Ms. Parveen Agha, Civil Servant Retired.	3
Ch. Sultan Mehmood, Advocate Supreme Court.	4
Chairman Planning and Development Board, Punjab.	-
Additional Finance Secretary (Health & Agriculture) Finance Department, Government of Punjab.	2

NOMINATION COMMITTEE OF PHIMC	**MEETINGS (1)**
Mr. Khawaja Farooq Saeed Chairman (R) Appellate Tribunal Inland Revenue/Chairman of BoD PHIMC	1
Secretary, Specialized Healthcare & Medical Education Department, Government of the Punjab	-
CEO/COO, Punjab Healthcare Commission.	1
Prof. Dr. Mahmood Ayyaz, Ex-Principal, Medical College. (Vice Chancellor KEMU)	-
Chief Executive Officer, Punjab Health Initiative Management Company	1

MONITORING AND EVALUATION COMMITTEE OF THE BOD OF PHIMC	**MEETINGS (1)**
Prof. Dr. Mahmood Ayyaz, Ex-Principal, Medical College. (Vice Chancellor KEMU)	1
Ms. Parveen Agha, Civil Servant Retired.	1
CEO/COO, Punjab Healthcare Commission.	1
Additional Finance Secretary (Health & Agriculture) Finance Department, Government of Punjab.	1
Chief Executive Officer, Punjab Health Initiative Management Company	1

REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Board members and their representatives are paid meeting fee of Rs. 62,500 per meeting against attending the board and its committee meetings. During FY 2023-24 expense of Rs. 6.975 million (2022-23 Rs. 4.60 million) has been recorded in the financial statement on account of meeting fee.

Total benefits of CEO recorded in the financial statements on account of salary and benefits are Rs. 25.67 million (2022-23 Rs. 21.24 million).

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of your company state that:

a) The financial statements, prepared by the management of the company fairly present the state of affairs, the result of its operations, cash flows and changes in funds.
b) Proper books of account of the company have been maintained.
c) Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
d) The financial statements have been prepared in conformity with the Companies Act, 2017 and International Financial Reporting Standards, as applicable in Pakistan.
e) Internal control system is sound in design and has been effectively implemented and

monitored.

f) There are no doubts about the Company's ability to continue as a going concern.

g) Significant plans and decisions have been outlined.

h) The number of Board and Committees' meetings held during the year and attendance by each director is detailed above.

EXTERNAL AUDITORS

M/s BDO Ebrahim & Co, Chartered Accountants were engaged for audit of the accounts for the FY 2023-24 ended on 30th June 2024.

ACKNOWLEDGEMENT

We, for and on behalf of Directors, would like to take this opportunity to express appreciation of the commitment, loyalty and dedication of our workforce. Further, we would like to acknowledge the professional support and cooperation received from our service delivery partners, vendors, bankers and other stake holders.

For and on Behalf of Directors

CHIEF EXECUTIVE OFFICER **DIRECTOR**